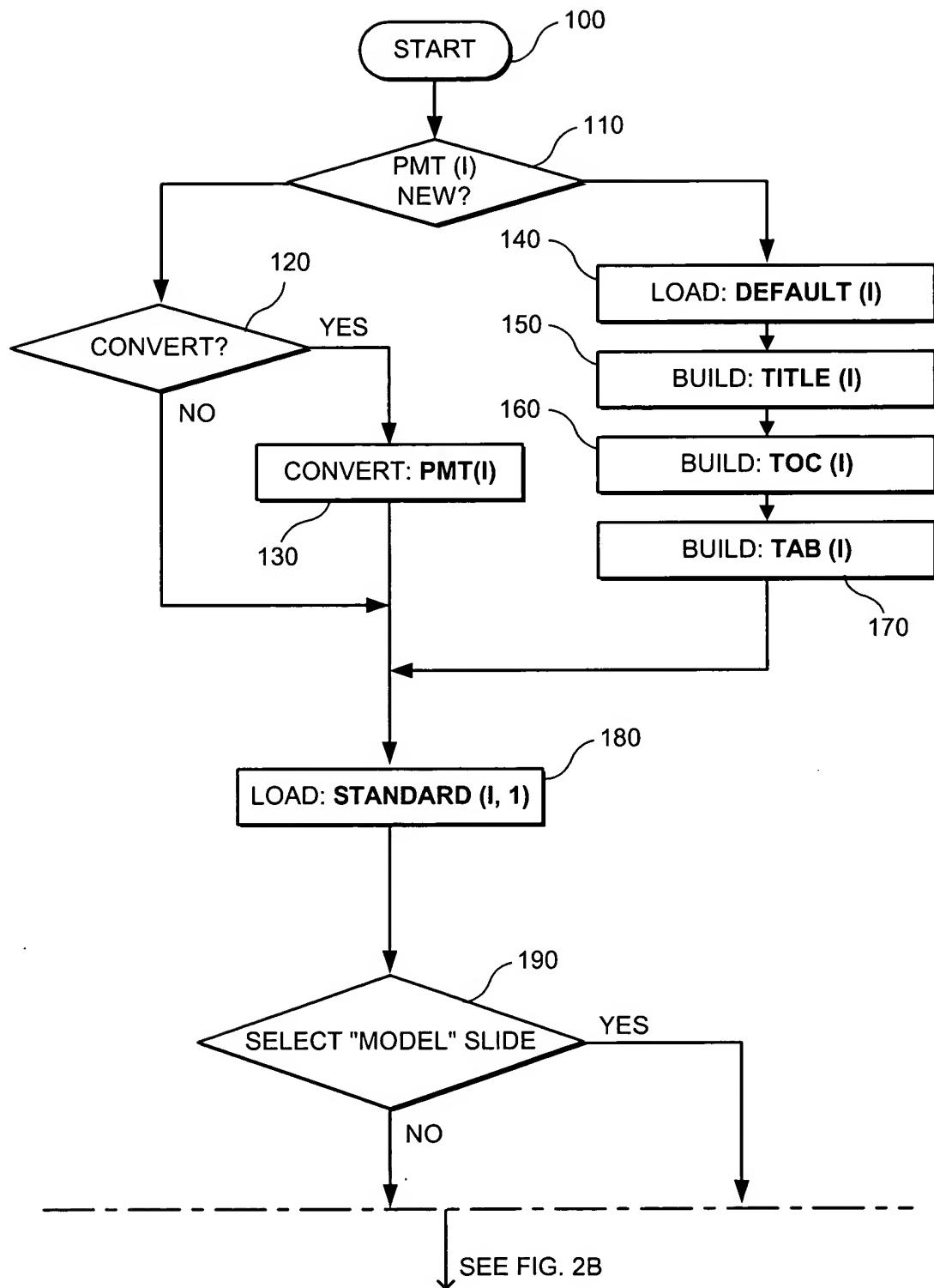


FIG. 1



F I G. 2A

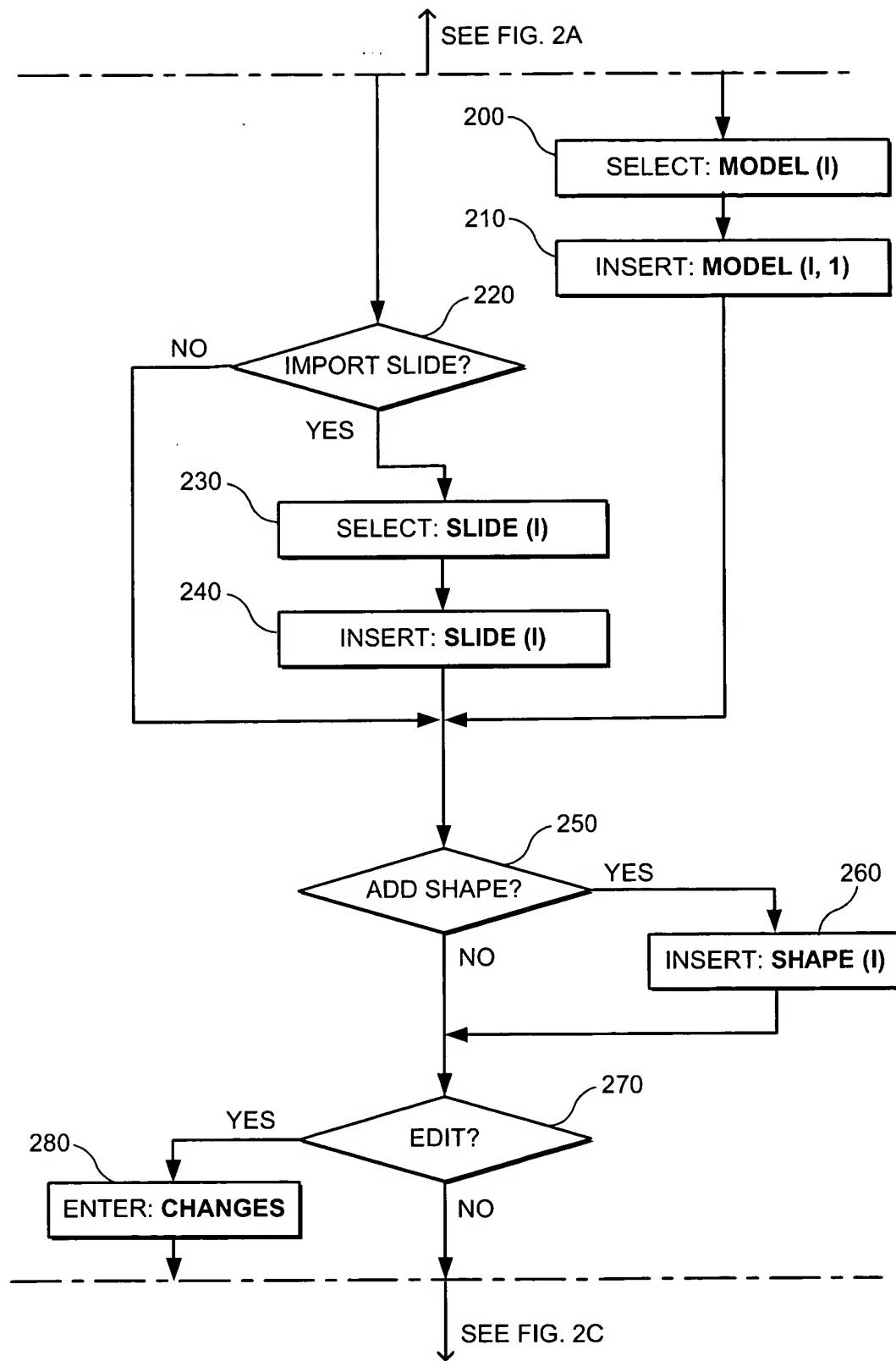


FIG. 2B

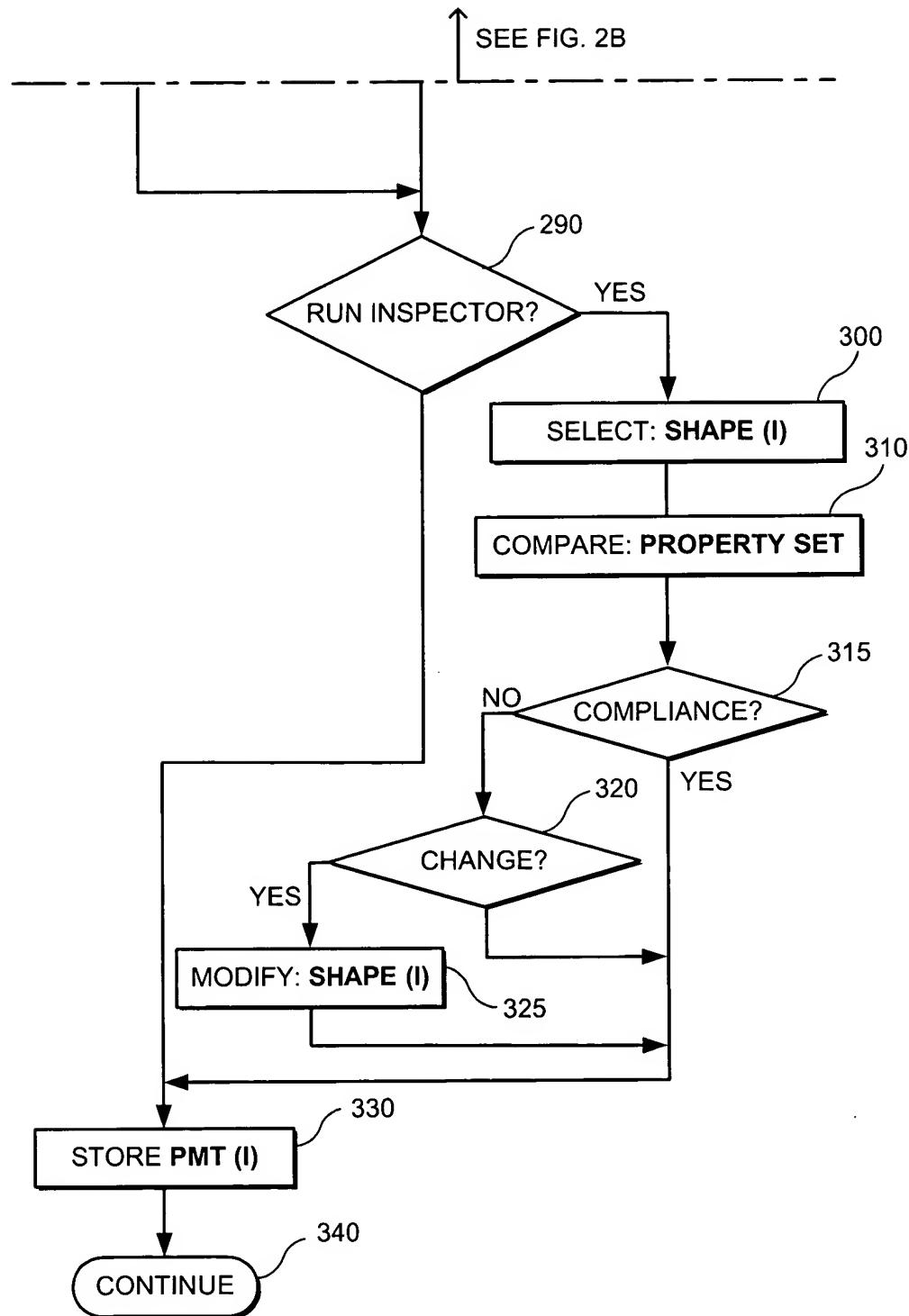


FIG. 2C

FIGURE 3

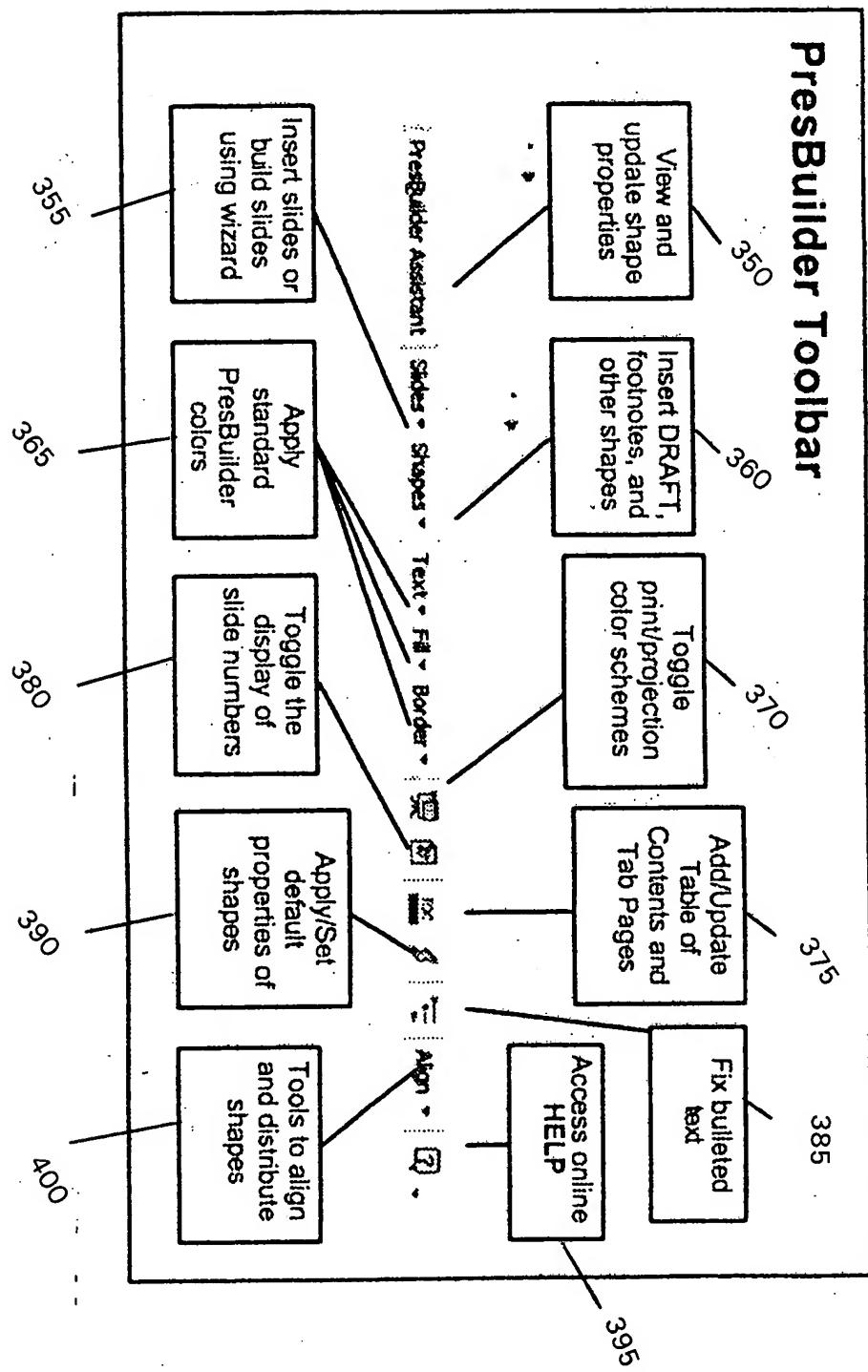


FIGURE 4

SAMPLE PRESENTATION

Confidential Presentation to:

Company XYZ

COMPANY
XYZ

Opportunities in the E&P Sector (Sample for PresBuilder)

December, 2003

LEHMAN BROTHERS

Table of Contents

FIGURE 5

- ◆ Introduction
- ◆ Upstream M&A Market Overview
- ◆ Transaction Opportunity
- ◆ Appendices
 - ◆ Comparable Company Analysis
 - ◆ Case Study
- ◆ Lehman Brothers' Energy Leveraged Finance Qualifications

Agenda

LEHMAN BROTHERS

COMPANY
XYZ

FIGURE 6

Introduction

Introduction

FIGURE 7

Introduction

Meeting Overview

- ◆ Lehman Brothers is pleased to meet with Company XYZ to discuss an opportunities in the exploration and production (“E&P”) sector.
- ◆ We intend to cover the following topics in our presentation today:
 - An overview of the E&P M&A market
 - A discussion of opportunities with Company Q
 - A review of Lehman Brothers M&A credentials

Lehman Brothers Company XYZ Team

FIGURE 8

Lead Banker has significant transaction experience.

Introduction

Client	Title
Insert	Transaction
Banker	Teligent, Inc. (the Company)
Picture	Senior Notes due 2009 (the Notes)
Here	\$250-\$500 million principal amount

Lead Banker
*Managing Director,
Global Chemicals Group*

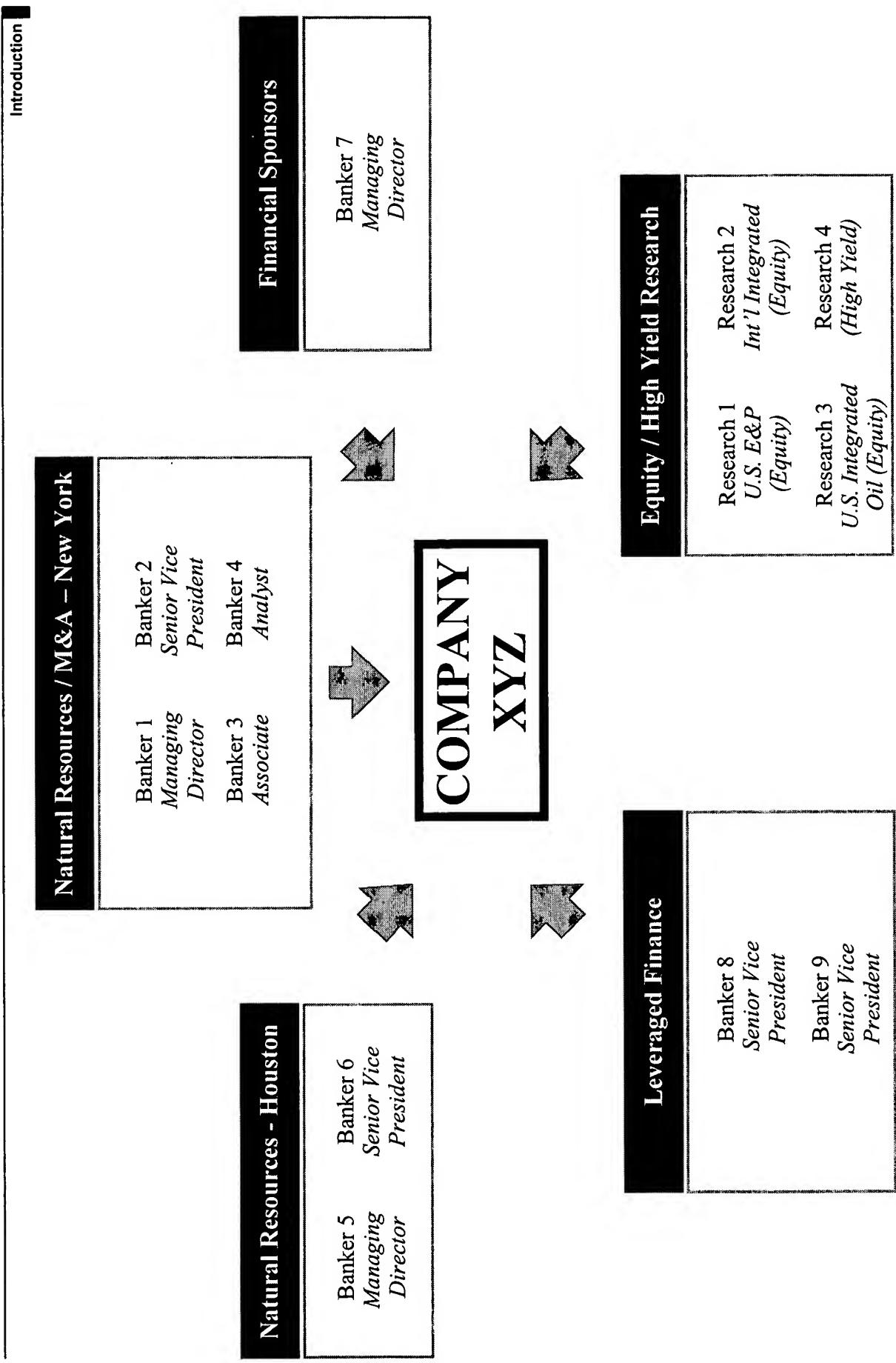
Client	Title
Issuer:	Teligent, Inc. (the Company)
Issue:	Senior Notes due 2009 (the Notes)
Principal Amount:	\$250-\$500 million principal amount
Registration:	Shelf takedown
Assumed Credit Ratings:	Caa1/CCC
Interest Rate:	12 % - 13% payable semi-annually in arrears
Interest Escrow:	None required
Ranking:	Pari passu with other senior debt of the Company; structurally subordinated to subsidiary debt
Registration:	Shelf takedown
Assumed Credit Ratings:	Caa1/CCC
Interest Rate:	12 % - 13% payable semi-annually in arrears
Interest Escrow:	None required
Ranking:	Pari passu with other senior debt of the Company; structurally subordinated to subsidiary debt

LEHMAN BROTHERS

COMPANY
XYZ

Lehman Brothers Company XYZ Team

FIGURE 9



Introduction

Premier Global Natural Resources Franchise

FIGURE 10

Introduction

Proven Track Record ◆ Lehman Brothers has maintained a dedicated natural resources investment banking practice for over 50 years

Industry Leader ◆ Consistently ranks among top 3 M&A advisors
◆ #1 bookrunner of U.S. equity and equity-related new issues since the beginning of 2000
◆ #1 underwriter of high yield debt in 2002 year-to-date
◆ #1 arranger of leveraged loans in 2002 year-to-date

Unparalleled Research ◆ 6 Institutional Investor's All-America Research Team Analysts

Houston

18 Dedicated Banking Professionals
2 Research Professionals

New York

34 Dedicated Banking Professionals
9 Research Professionals

London

9 Dedicated Banking Professionals
3 Research Professionals

Global Natural Resources Group

61 Dedicated Banking Professionals
14 Research Professionals
Coverage of over 200 Companies



Lehman Brothers' M&A Qualifications

FIGURE 11

Selected Natural Resources Transactions

- ◆ Lehman Brothers has also been an active M&A advisor within the broader Natural Resources sector.

	Pending		July 2002		July 2002		July 2002
	has agreed to sell its Mid-South downstream assets to		has completed a restructuring		The undersigned acted as financial advisor to the Williams restructuring		The undersigned acted as financial advisor to the Williams restructuring
	LEHMAN BROTHERS		May 2002		LEHMAN BROTHERS		LEHMAN BROTHERS
	has been acquired by		May 2002		May 2002		March 2002
	LEHMAN BROTHERS		October 2001		October 2001		September 2001
	has merged with		October 2001		October 2001		September 2001
	COFLEXIP STENA OFFSHORE		October 2001		October 2001		September 2001
	TECHNIP		October 2001		October 2001		September 2001
	COFLEXIP STENA OFFSHORE		October 2001		October 2001		September 2001
	LEHMAN BROTHERS		October 2001		October 2001		September 2001
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	LEHMAN BROTHERS		October 2001		October 2001		September 2001
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	LEHMAN BROTHERS		October 2001		October 2001		September 2001
	LEHMAN BROTHERS		October 2001		October 2001		September 2001
	LEHMAN BROTHERS		October 2001		October 2001		September 2001
	LEHMAN BROTHERS		October 2001		October 2001		September 2001
	LEHMAN BROTHERS		October 2001		October 2001		September

FIGURE 12

Upstream M&A Market Overview

Upstream M&A Market Overview

FIGURE 13

Commodity Price Environment

- ◆ Oil and gas markets continued to be volatile in 2002, driven by world political events and supply / demand dynamics.
- ◆ Ongoing tensions in the Middle East, non-OPEC extended production cuts, and a temporary disruption in Venezuelan oil operations due to the April riots in that country created a sharp war premium in crude oil prices despite a fragile economy and weak demand fundamentals.
- ◆ Early strength from high competitive fuel prices and current concerns over falling domestic production and imported volumes have staved off a decline in natural gas prices despite a large inventory overhang throughout the year.



- ◆ While the gap has narrowed in recent months, there continues to be a disparity between the forward strip and First Call commodity prices.

	Spot (11/29/02)	52-Week High	Low	2002 ⁽¹⁾	2003	2004	Calendar Strips	Lehman Research	First Call Consensus	2003	2004
Natural Gas (Henry Hub)	\$4.19	\$4.43	\$1.81	\$3.33	\$3.99	\$3.86	\$3.50	\$3.50	\$3.41	\$3.38	
Oil (WTI)	\$26.89	\$30.83	\$17.97	\$25.96	\$25.42	\$23.45	\$24.25	\$21.00	\$23.45	\$21.65	

• Represents 1 month of strip prices and 11 months of historical spot prices.

Upstream M&A Market Overview

FIGURE 14

Recent Premiums Paid

- ◆ A decline in natural gas prices following the announcement of the Barrett / Williams transaction resulted in lower transaction premiums as well as prices (\$/Mcfe).
 - Sellers continue to “look back” to their 52-week highs as floor pricing, though early 2001 highs are fading

	Premiums Paid									
Transaction Type	UCL / PRS	CNQ / RAX ⁽¹⁾	PCE / AEC	MHR / PRZ	BR / HTR	D / LD	DVN / AXL	KMG / MND	DVN / HSE	WMB / BR ⁽²⁾
% Cash	0%	60%	0%	15%	100%	50%	100%	57%	70%	50%
% Stock	100%	40%	100%	85%	0%	50%	0%	43%	30%	50%
Premium to:										
1 Day Prior to Announcement	27.0%	25.4%	11.8%	32.6%	35.9%	22.0%	51.5%	32.3%	23.9%	60.0%
5 Day Prior to Announcement	29.4%	27.0%	18.0%	40.8%	51.4%	20.9%	43.4%	31.2%	39.2%	65.0%
20 Day Prior to Announcement	24.3%	31.1%	8.7%	41.2%	51.4%	32.4%	41.4%	39.1%	41.3%	47.6%
52-Week High	(5.7%)	(38.9%)	(14.3%)	1.6%	16.5%	(14.6%)	4.7%	(4.8%)	21.1%	27.8%
Transaction Comparison:										
Date of Announcement	8/20/02	5/13/02	1/28/02	12/18/01	10/9/01	9/10/01	9/4/01	8/14/01	5/14/01	5/7/01
12-Month Forward Gas Strip	\$3.64	\$4.03	\$2.11	\$2.66	\$2.84	\$3.02	\$3.01	\$3.52	\$4.81	\$4.51
\$/Mcfe	\$1.19 ⁽³⁾	\$1.43	\$0.79	\$0.82	\$1.27 ⁽⁴⁾	\$1.13 ⁽⁵⁾	\$1.27 ⁽⁶⁾	\$1.26 ⁽⁷⁾	\$1.28	\$1.31 ⁽⁸⁾
% Gas	68%	86%	42%	48%	97% ⁽⁴⁾	89% ⁽⁵⁾	62% ⁽⁶⁾	95% ⁽⁷⁾	79%	96% ⁽⁸⁾
R/P (Years)	10.4	5.6	15.2	12.8	7.8 ⁽⁴⁾	13.2 ⁽⁵⁾	9.4 ⁽⁶⁾	7.4 ⁽⁷⁾	14.2	17.8 ⁽⁸⁾

⁽¹⁾ Premiums based on consideration of C\$18 per share plus reported value of spun-off subsidiary of C\$1.90 per share.

⁽²⁾ Premiums based on Barrett stock price on March 7, 2001, one day prior to Shell's unsolicited offer to buy Barrett.

\$70.3 million allocated to non-reserve assets.

Based on BR's reserve estimates as of year-end 2001 (1,237 Bcfe). After allocation of value to non-proved properties.

Based on reserve estimates as of 12/31/00 (1,808 Bcfe). After allocation of value to non-proved properties.

Based on AXL's reserve estimates as of 8/1/01 (3,192 Bcfe). After allocation of value to non-proved properties.

Based on MND's reserve estimates as of 6/30/01 (2,100 Bcfe). After allocation of value to non-proved properties.

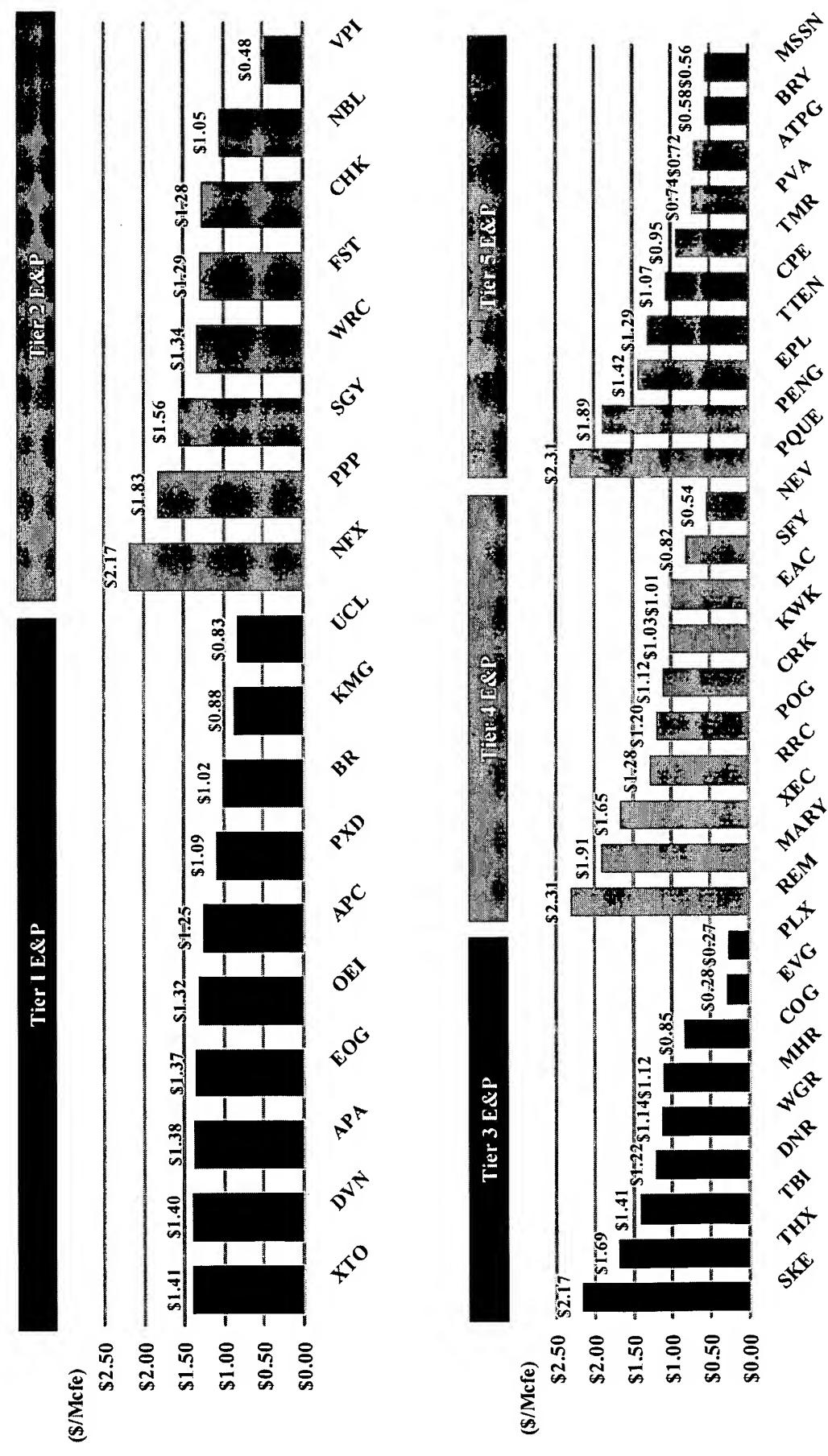
Based on reserve estimates as of 3/31/01. After allocation of value to non-proved properties.

Upstream M&A Market Overview

FIGURE 15

Reserve Multiples⁽¹⁾

Upstream M&A Market Overview



• Multiples exclude value attributed to non-E&P properties.

LEHMAN BROTHERS

FIGURE 16

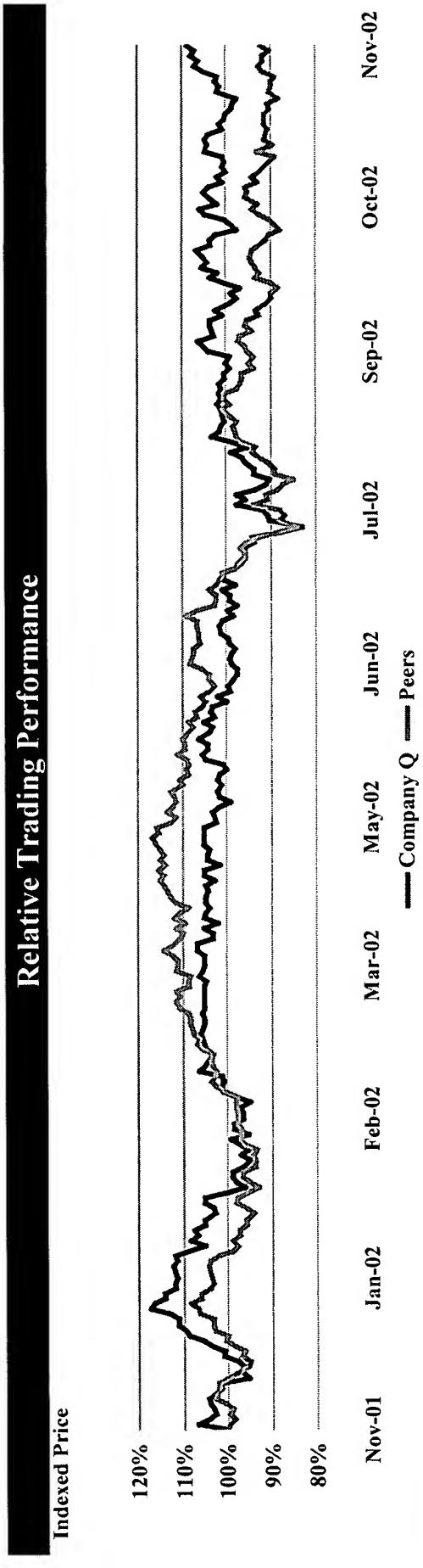
Transaction Opportunities |

Overview of Company Q

FIGURE 17

General Overview

- ◆ Company Q is a mid-cap domestic independent focused in the GOM and onshore U.S.
 - Offshore properties located in the shallow waters of the GOM; onshore properties in S. Texas, the Arkoma Basin, South Louisiana, the Appalachian Basin in West Virginia and E. Texas
 - Balance of high impact offshore exploration plays with stable domestic onshore development and exploitation opportunities
- Net proved reserves of 734 Bcfe as of (95% gas, 67% proved developed) ⁽¹⁾
- ◆ KevCo owns 67% of Company Q's common stock.
- ◆ KevCo ran a formal auction process for Company Q in early 2000 and a second quiet process in late 2001; however, price expectations were not satisfied.
- Company Q is considered to be "available" to a cash buyer



⁽¹⁾ 2001 year-end reserves pro forma for acquisition of B and C properties. No adjustments made for acquisition of working interest in KevCo producing blocks. Assumes B assets acquired are 100% developed.

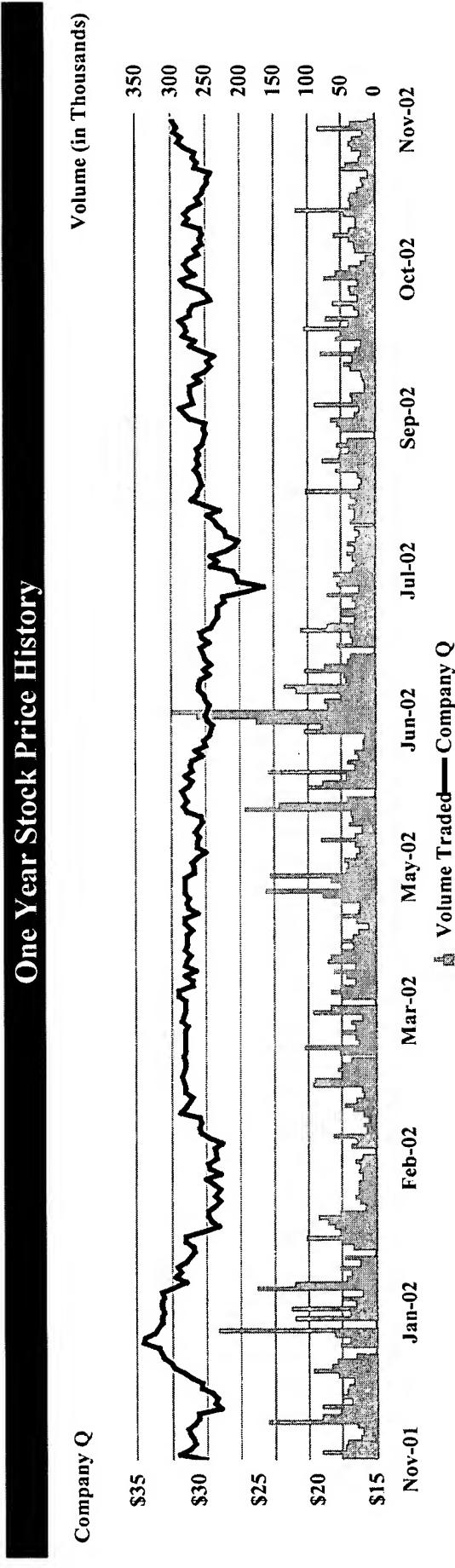
Overview of Company Q

FIGURE 18

Recent Events

- ◆ From January 1, 1997 to December 31, 2001, the Company increased its proved reserve base and annual production at compound annual growth rates of 13% and 23%, respectively.
- ◆ In September 2002, Company Q and Paso announced a joint venture to drill up to six exploration wells on the shallow water Gulf of Mexico.
- ◆ On June 3, 2002, Company Q closed on the acquisition of South Texas properties (37 Bcfe of net proved reserves) from Berry Resources for \$48.1 million.
- ◆ On December 31, 2001, the Company completed the purchase of natural gas and oil properties and associated gas gathering pipelines and equipment from Conoco for \$69 million.
 - Transaction expanded operations in South Texas; 85 Bcfe

Transaction Opportunities



LEHMAN BROTHERS

10

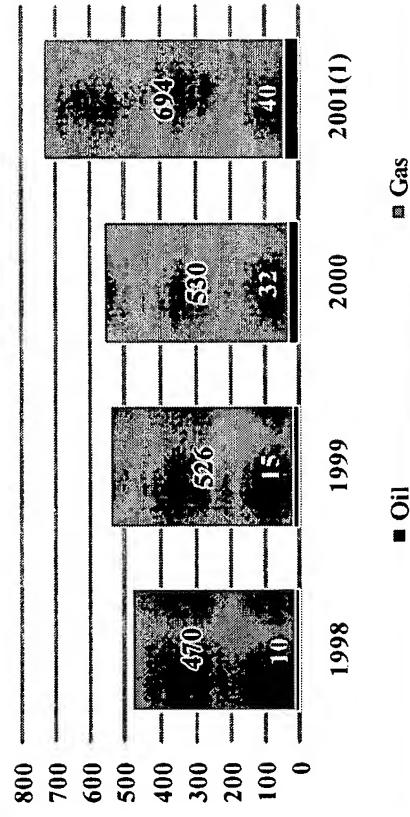
COMPANY
XYZ

Overview of Company Q

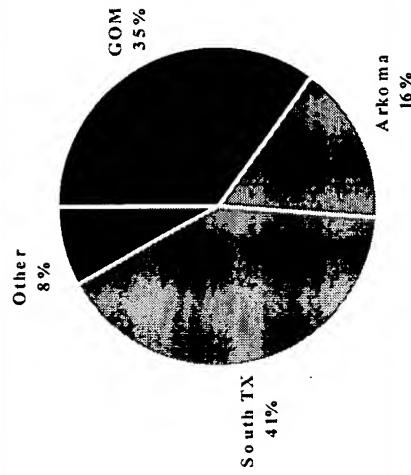
FIGURE 19

Reserves & Production

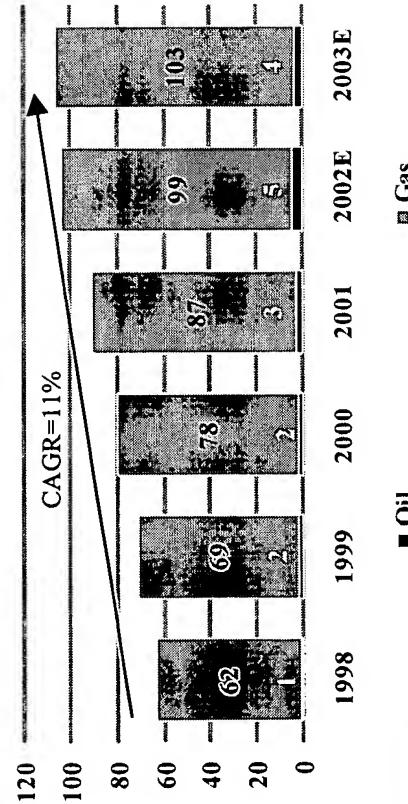
Historical Proved Reserves (Bcfe)



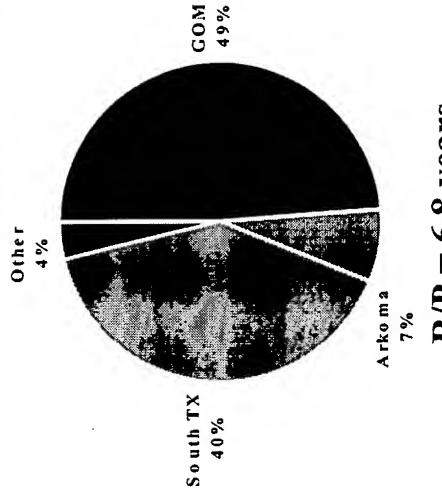
Proved Reserves by Area



Historical and Estimated Net Production⁽²⁾ (Bcfe)



2001 Production Distribution



R/P = 6.8 years

- *Pro forma for acquisition of B and C properties. No adjustments made for acquisition of working interest in KevCo producing blocks.*
- *Estimates per Lehman Brothers equity research.*

Overview of Company Q

FIGURE 20

Summary Financial Information

Historical Financials

	2000	2001	LTM
Revenue	\$271	\$380	\$316
EBITDE	288	270	266
EBIT	199	141	115
Net Interest	11	3	6
Net Income to Common	85	123	76
CFFO	201	358	209
Capex	185	368	302

Balance Sheet Information

	<u>12/31/00</u>	<u>12/31/01</u>	<u>9/30/02</u>
Cash	\$10	\$9	\$5
Net PP&E	705	939	988
Total Assets	837	1,059	1,074
 Total Debt	 \$245	 \$244	 \$247
Preferred Equity	-	-	-
Minority Interest	-	-	-
Common Equity	397	566	566
Book Capitalization	\$642	\$810	\$813
 <i>Total Debt/Total Book Cap.</i>	 38.2%	 30.1%	 30.4%
 <i>Net Debt/Net Book Cap.</i>	 37.2%	 29.4%	 29.9%

Trading Information

	EPS ⁽¹⁾ :	2003E	\$2.45	Data	Multiple	12.8 x	Peer Median
Equity Value as a Multiple of:		2004E	\$2.55			12.3 x	30

Transaction Opportunities

• Estimates per Lehman Brothers equity research.

Overview of Company Q

FIGURE 21

Officers, Directors and Shareholders

Officers		Shareholders (1)	
Name	Title	Major Institutional Shareholders	Held % of Total
William G. Hargett	President and CEO	Keyspan Energy Corp	20,380,392 66.4%
Charles W. Adcock	SVP and General Manager, Offshore Division	MFS Investment Management	2,479,096 8.1%
Steven L. Mueller	SVP and General Manager, Offshore Division	Dimensional Fd Advisors, Inc.	1,135,900 3.7%
Tracy Price	SVP Land	Dalton Greiner Hartman Maher	879,835 2.9%
Roger B. Rice	VP, Human Resources and Administration	Legg Mason Fds Mgmt, Inc.	784,180 2.6%
Thomas E. Schwartz	VP, Geophysics	Westport Asset Management Inc.	665,500 2.2%
James F. Westmoreland	VP, Chief Accounting Officer and Secretary	Barclays Gbl Investors, N.A.	569,974 1.9%
		Fleet Invt Advisors, Inc.	459,100 1.5%
		Mellon Private Asset Mgmt	327,208 1.1%
		Principal Cap Investors, LLC	292,646 1.0%
		Vanguard Group	223,589 0.7%
		Westwood Management Corp.	189,700 0.6%
		Numeric Investors, L.P.	186,808 0.6%
		Muhlenkamp And Company Inc.	180,600 0.6%
		State Str Global Advr	160,584 0.5%
		Total	28,915,112 94.2%
Robert B. Catell	Chairman	Officers and Directors	215,326 0.7%
William G. Hargett	President and CEO	Other	1,562,457 5.1%
Gordon F. Ahalt	President, GFA Inc.		
David G. Elkins	President and Co-CEO, Sterling Chemicals, Inc.		
Russell D. Gordy	Managing General Partner, S.G. Interests		
Gerald Luterman	EVP and CFO of KeySpan		
H. Neil Nichols	President, KeySpan Energy Development Corp.		
James Q. Riordan	Retired Vice Chairman and CFO, Mobil		
Donald C. Vaughn	Retired Vice Chairman, Halliburton		
Robert J. Fani	President, KeySpan Energy Services		
		Total Shares Outstanding	30,692,895 100.0%

• Data based on Shareworld ownership data and available public filings.

FIGURE 22

Appendices |

FIGURE 23

Comparable Company Analysis |

Comparable Company Analysis

FIGURE 24

E&P Companies

Comparable Company Analysis										Median
Company Name:	AAA Co.	BBB Co.	CCC Co.	DDD Co.	EEE Co.	FFF Co.	GGG Co.	HHH Co.	III Co.	JJJ Co.
Ticker Symbol:	AAA	BBB	CCC	DDD	EEE	FFF	GGG	HHH	III	JJJ
Current Stock Price as of 11/29/02:	\$47.20	\$53.88	\$42.12	\$45.79	\$38.77	\$45.25	\$18.84	\$24.66	\$29.65	\$23.95
Equity Market Value (\$MM):	\$11,804	\$7,844	\$8,480	\$7,212	\$4,578	\$4,542	\$3,409	\$2,931	\$7,647	\$3,074
Net Market Capitalization (\$MM):	\$17,443	\$10,505	\$12,114	\$14,831	\$5,809	\$9,451	\$4,755	\$4,557	\$9,423	\$4,204
<u>Equity Market Value as a Multiple of:</u>										
DCFPS	LTM	6.4 x	5.5 x	6.3 x	4.5 x	6.2 x	3.3 x	5.4 x	7.8 x	4.5 x
	2002E	5.8 x	5.1 x	6.1 x	3.9 x	6.1 x	4.4 x	4.8 x	7.5 x	4.1 x
	2003E	5.4 x	4.8 x	5.5 x	3.6 x	5.5 x	4.0 x	4.7 x	4.4 x	4.0 x
	2004E	5.3 x	5.1 x	5.4 x	3.5 x	5.3 x	4.1 x	4.6 x	4.2 x	4.4 x
EPS:	LTM	19.2 x	17.2 x	N/M	14.4 x	N/M	23.2 x	N/M	3.4 x	16.3 x
	2002E	15.7 x	13.8 x	22.2 x	13.5 x	43.1 x	19.3 x	17.9 x	44.8 x	16.9 x
	2003E	13.7 x	13.8 x	21.1 x	10.1 x	22.2 x	15.6 x	17.1 x	9.3 x	15.5 x
	2004E	15.0 x	16.8 x	21.6 x	10.2 x	23.5 x	18.1 x	20.9 x	10.7 x	14.5 x
Book Value:		1.8 x	1.7 x	2.3 x	1.6 x	3.0 x	1.6 x	2.2 x	2.1 x	2.1 x
<u>Enterprise Value as a Multiple of:</u>										
EBITDE:	LTM	7.6 x	6.1 x	7.4 x	6.4 x	7.4 x	6.4 x	6.9 x	11.6 x	2.5 x
	2002E	6.8 x	5.5 x	6.8 x	6.1 x	7.7 x	5.2 x	6.0 x	9.6 x	4.2 x
	2003E	6.3 x	5.4 x	6.3 x	5.6 x	6.1 x	5.6 x	5.5 x	5.6 x	4.0 x
	2004E	6.3 x	5.7 x	6.2 x	5.3 x	6.0 x	5.8 x	5.6 x	5.5 x	4.4 x
Net PP&E:		1.2 x	1.3 x	1.4 x	1.4 x	1.8 x	1.3 x	1.5 x	1.5 x	1.2 x
<u>Market Value of Reserves as a Multiple of:</u>										
Proved Reserves (6:1)	MMBOE	\$7.51	\$8.29	\$6.10	\$8.42	\$8.22	\$5.28	\$7.91	\$6.56	\$4.95
	Bcfe	\$1.25	\$1.38	\$1.02	\$1.40	\$1.37	\$0.88	\$1.32	\$1.09	\$0.83
SEC Value:	After-Tax	2.2 x	1.9 x	2.0 x	2.3 x	2.3 x	1.5 x	1.7 x	1.8 x	1.7 x
	Pre-Tax	1.5 x	1.4 x	1.4 x	NA	1.7 x	1.1 x	1.4 x	1.6 x	1.2 x
Proved Reserves / 2001 Production	11.7 yrs	10.1 yrs	13.8 yrs	8.6 yrs	10.4 yrs	13.3 yrs	11.0 yrs	16.2 yrs	9.5 yrs	13.7 yrs
% Gas	50.7%	52.7%	68.8%	65.8%	89.7%	45.7%	49.3%	53.2%	62.2%	84.2%
<u>Credit Statistics:</u>										
Net Debt / Net Book Cap	45.0%	27.3%	49.5%	62.2%	39.4%	52.8%	43.7%	53.8%	40.6%	56.0%
Net Debt / Net Market Cap	31.7%	19.0%	30.0%	50.4%	18.6%	43.6%	26.3%	35.7%	29.7%	47.2%
LTM EBITDE / Gross Interest	6.6 x	10.8 x	4.8 x	4.2 x	11.9 x	6.4 x	3.5 x	17.2 x	8.9 x	29.9%
										6.5 x

FIGURE 25

Case Study |

Superior Execution

FIGURE 26

Lehman Brothers' Energy Leveraged Finance Qualifications	
	Situation Overview
April 17, 2002	<ul style="list-style-type: none">The offering allowed XTO to access the high yield market at all-time record levels using proceeds to acquire additional oil and natural gas assets, repay bank debt and redeem subordinated debtThe corporate credit rating is Ba1/BB+ while the Senior Notes are rated Ba2/BBOn April 11, 2002, XTO announced that it had entered into agreements to acquire oil and natural gas properties in East Texas, Louisiana and the San Juan Basin of New Mexico with estimated proved reserves of 145 Bcf of gas equivalent
\$350,000,000	Company Overview
XTO Energy Inc.	<ul style="list-style-type: none">XTO is a leading independent E&P company engaged primarily in the exploration and production of natural gas with operations in the western U.S. and AlaskaAt December 31, 2001, the Company estimated its proved reserves to be 2.2 trillion cubic feet of natural gas, 54.0 million barrels of oil and 20.3 million barrels of natural gas liquids (2.7 Tcfe). The average reserve-to-production index for XTO's proved reserves was 14.8 years
7 1/2% Senior Notes due 2012	Outcome
LEHMAN BROTHERS <i>Joint Book-Running Manager</i>	<ul style="list-style-type: none">\$350 million 7 1/2% Senior Notes due 2012 rated Ba2/BB priced at par to yield 7 1/2% (tight end of 7 1/2% - 7 5/8% price talk)Transaction priced on a spread basis at 227 bps over the ten year treasury – inside of many investment grade creditsProceeds of the offering were used to redeem \$115 million of the 9 1/4% Senior Subordinated Notes, fund \$121 million in recently announced oil and natural gas property transactions and to repay \$90.2 million of bank debtInvestment grade quality assets and investment grade credit statistics provided strong support from crossover investors, allowing pricing at a record level
XTO Energy's 7 1/2% Senior Notes represent the lowest yield ever achieved for a Ba2/BB rated 10-year deal as well as the lowest yield ever achieved for a High Yield issuer in the Oil & Gas sector.	COMPANY XYZ

FIGURE 27

Lehman Brothers' Energy Leveraged Finance Qualifications |

#4 In Overall High Yield

FIGURE 28

Significant Momentum in High Yield Year-To-Date

2002 High Yield League Table (1)			2nd Quarter 2002 U.S. High Yield League Table		
	(\$ in millions)	Share		Underwriter	Proceeds (\$mm)
1 Credit Suisse First Boston	\$9,519.5	19.3%	1 Credit Suisse First Boston	\$3,885.2	19.5%
2 Deutsche Bank	\$7,289.1	14.8%	2 Lehman Brothers	\$2,340.9	11.8%
3 Citigroup/SSB	\$6,717.8	13.6%	3 Citigroup/SSB	\$2,336.2	11.7%
4 Lehman Brothers	\$4,922.7	10.0%	4 JP Morgan	\$1,834.4	9.2%
5 JP Morgan	\$3,633.5	7.4%	5 Banc of America Securities	\$1,699.8	8.5%
1st Half 2002 U.S. High Yield League Table			Underwriter		
6 Banc of America Securities	\$3,400.0	6.9%	1 Credit Suisse First Boston	\$7,206.0	18.7%
7 Goldman Sachs	\$3,026.0	6.1%	2 Citigroup/SSB	\$4,392.3	11.4%
8 UBS Warburg	\$2,865.0	5.8%	3 Banc of America Securities	\$3,767.7	9.8%
9 Morgan Stanley	\$2,625.0	5.3%	4 Deutsche Bank	\$3,534.4	9.2%
10 Merrill Lynch	\$1,503.1	3.0%	5 Lehman Brothers	\$3,523.1	9.2%

- ◆ Significant momentum in High Yield underwriting year-to-date, ranking #2 for the 2nd Quarter of 2002 and #5 for the 1st Half of 2002.
- ◆ 156% gain in market share vs the 2nd Quarter of 2001, and 33% gain in market share vs the 1st Half of 2001.
- ◆ Significant momentum in High Yield year-to-date, ranking #4 with over \$4.9 billion of league table credit and a 10.0% market share.
- ◆ Percentage change in market share versus 2001 of 63%, resulting in the best performance by any High Yield underwriter.

(1) Full-Credit to book-runner on the left, or "Quarterback". Lehman Brothers High Yield Capital Markets 11/11/02.

#1 In Energy Leveraged Loans

FIGURE 29

Lehman Brothers Has Been Active in Energy Leveraged Loans

- ◆ Lehman Brothers is the top underwriter of leveraged loans in the Energy sector and has substantial experience and expertise as lead arranger for E&P, Oilfield Services, Refining and Power companies, arranging 22% of the issues in the sector year-to-date 2002.

YTD 2002 Energy Lead Arranger League Table

Bank	Proceeds (\$mm)	# of Deals	Share
1 Lehman Brothers	\$4,495	5	22.4%
2 JP Morgan Chase	\$4,147	13	20.7%
3 Citigroup	\$2,528	6	12.6%
4 BANK ONE Corp	\$2,108	22	10.5%
5 Bank of America	\$1,386	11	6.9%
6 Deutsche Bank Alex Brown	\$1,304	5	6.5%
7 Barclays	\$853	2	4.3%
8 Scotia Capital	\$600	1	3.0%
9 Wachovia Corp	\$525	3	2.6%
10 Toronto Dominion Bank	\$470	2	2.4%

Data Source: Lehman Brothers' High Yield Capital Markets.

LEHMAN BROTHERS

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Lehman Brothers' Energy Leveraged Finance Qualifications

COMPANY
XYZ

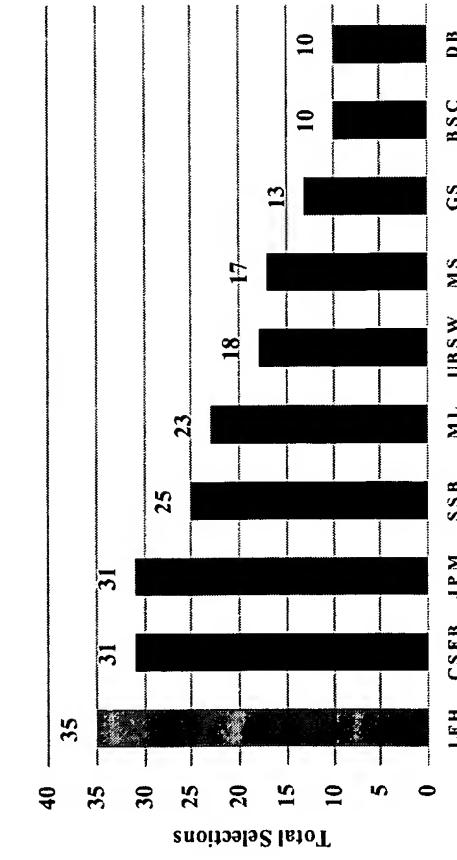
#1 In Overall Fixed Income Research

Lehman Brothers' Energy Leveraged Finance Qualifications

Lehman Brothers' Execution Strength Rests Upon the Franchise of our Fixed-Income Credit Research and the Power of the Lehman Brothers Indices

2002 Institutional Investor Magazine

All-America Fixed Income Research Team Awards



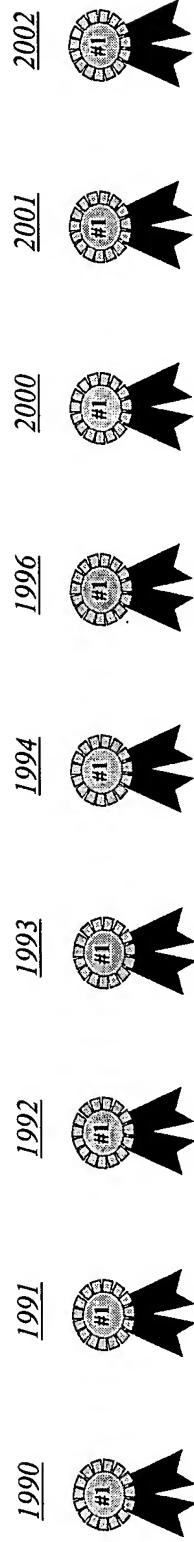
All-America Fixed Income Research Team Awards

- ◆ The "S&P" 500 of the bond market
- ◆ Used by 90% of fixed income investors in the US
- ◆ 50% market share in Europe
- ◆ Managed exclusively by Lehman Brothers
- ◆ Provides Lehman Brothers with unique insights into investor behavior

#1 in Fixed Income Indices

Investors Rely on Lehman Brothers for Strategic Direction, as Well as Specific Credit Research

Ranked #1 by Institutional Investor nine out of the past thirteen years



Superior Execution

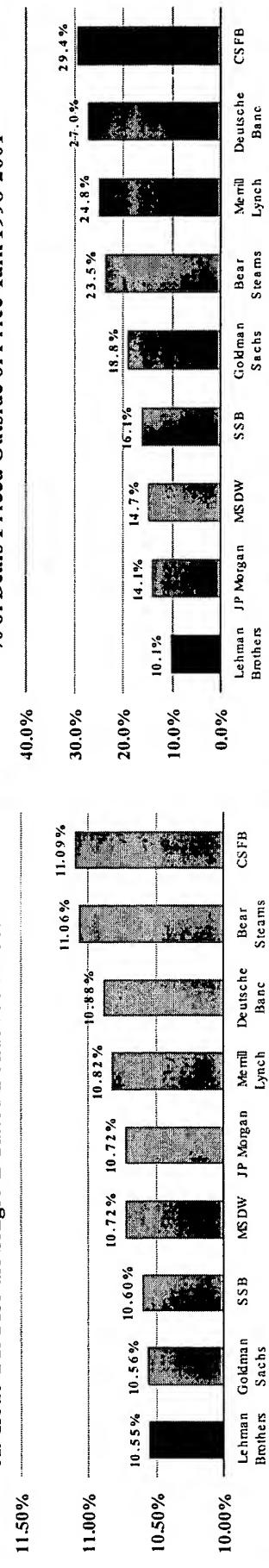
FIGURE 31

Lehman Brothers' Energy Leveraged Finance Qualifications

Lehman Brothers is recognized as the premier investment bank for high yield execution – our reputation for the highest quality execution benefits issuers in pricing by giving investors confidence that the necessary diligence and credit analysis has been completed, and accordingly, provides them the comfort in “paying up”. Our execution capabilities extend to our knowledge of structuring covenants

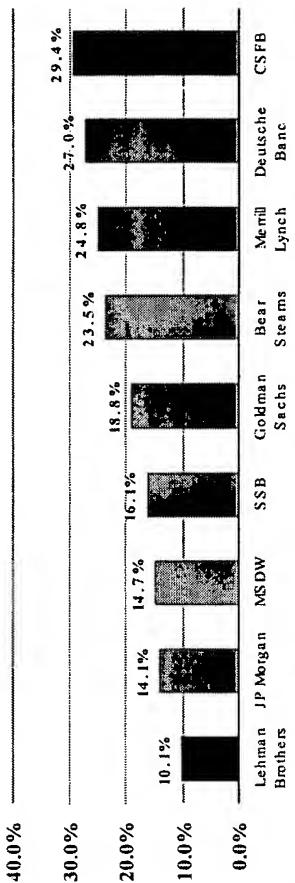
Ranked #1 for Lowest Average YTM at Issue

At-Issue YTM for all Single-B Rated Bonds 1992-2001



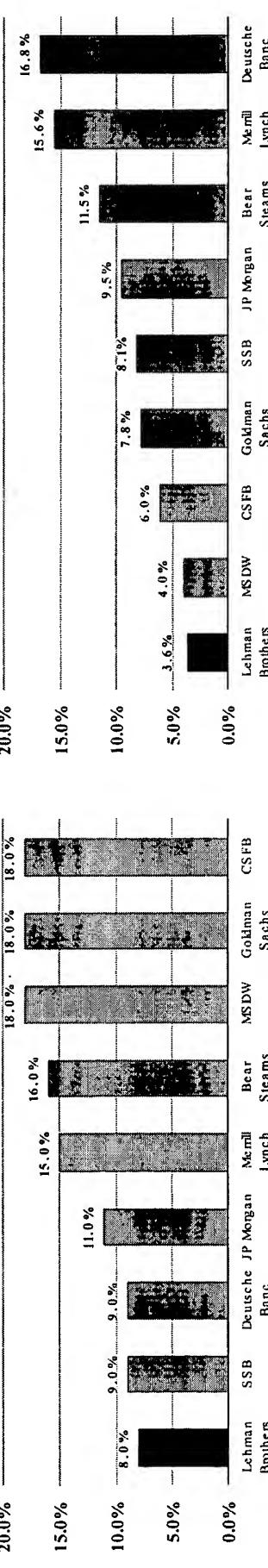
Ranked #1 for Deals Priced Within Price Talk

% of Deals Priced Outside of Price Talk 1998-2001



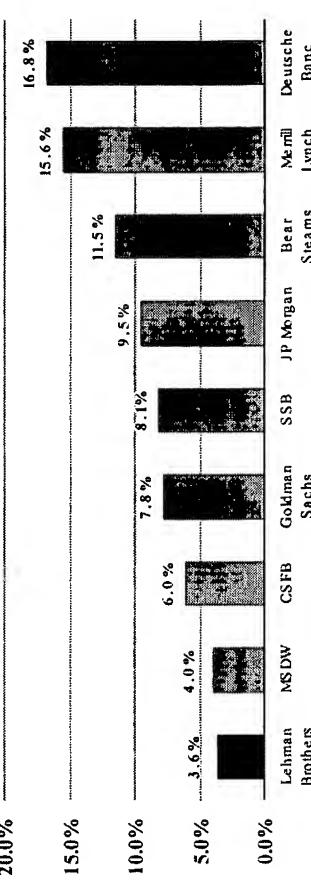
Ranked #1 for Lowest Default Rates

% of Total Deals Defaulted 1998-2001



Ranked #1 for Lowest Number of Failed Deals

% of Total Deals Failed from 1998-2001



Data for average coupon, price talk performance, and failed deals compiled by Lehman Brothers High Yield Capital Markets as of December 31, 2001. Default rates compiled by Moody's Investor Services.